

HOUSE BILL 2293

By Sexton

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 8, relative to transfer taxes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-8-316, is amended by adding the following language as a new, appropriately designated subsection:

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(1) For the purposes of this subsection:

(A) "Applicable exemption amount" means the sum of:

(i) The basic exemption amount; and

(ii) The deceased spousal unused exemption amount;

(B) "Basic exemption amount" means the amount of the applicable maximum single exemption as provided by subsection (b) of this section; and

(C) "Deceased spousal unused exemption amount" means with respect to a surviving spouse of a deceased spouse dying after December 31, 2012, the lesser of:

(i) The basic exemption amount; or

(ii) The basic exemption amount allowed against the estate of the last deceased spouse of the surviving spouse less the amount of the basic exemption amount actually applied against the net estate of the last deceased spouse.

(2) Except as provided in subdivision () (3)(A), in the case of a decedent dying on or after January 1, 2013, for the sole purpose of determining the net

taxable estate under this part and part 4 of this chapter, there shall be allowed against the net estate, instead of the exemption allowed pursuant to subsection (b), an exemption in the amount of the applicable exemption amount against that portion of the estate distributable to one (1) or more beneficiaries.

(3)

(A) If the personal representative, or person or persons in possession of property of the deceased spouse whose basic exemption is used to determine the deceased spousal unused exemption amount fails to timely file, as provided in § 67-8-409, a return, as required by § 67-8-409(b), on which the amount determined as provided in () (1)(C)(ii) is computed and an election is made authorizing the use of such amount, then subsection (b), and not this subsection (), shall apply to the decedent's estate.

(B) An election made as provided in subdivision () (3)(A) is irrevocable.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.